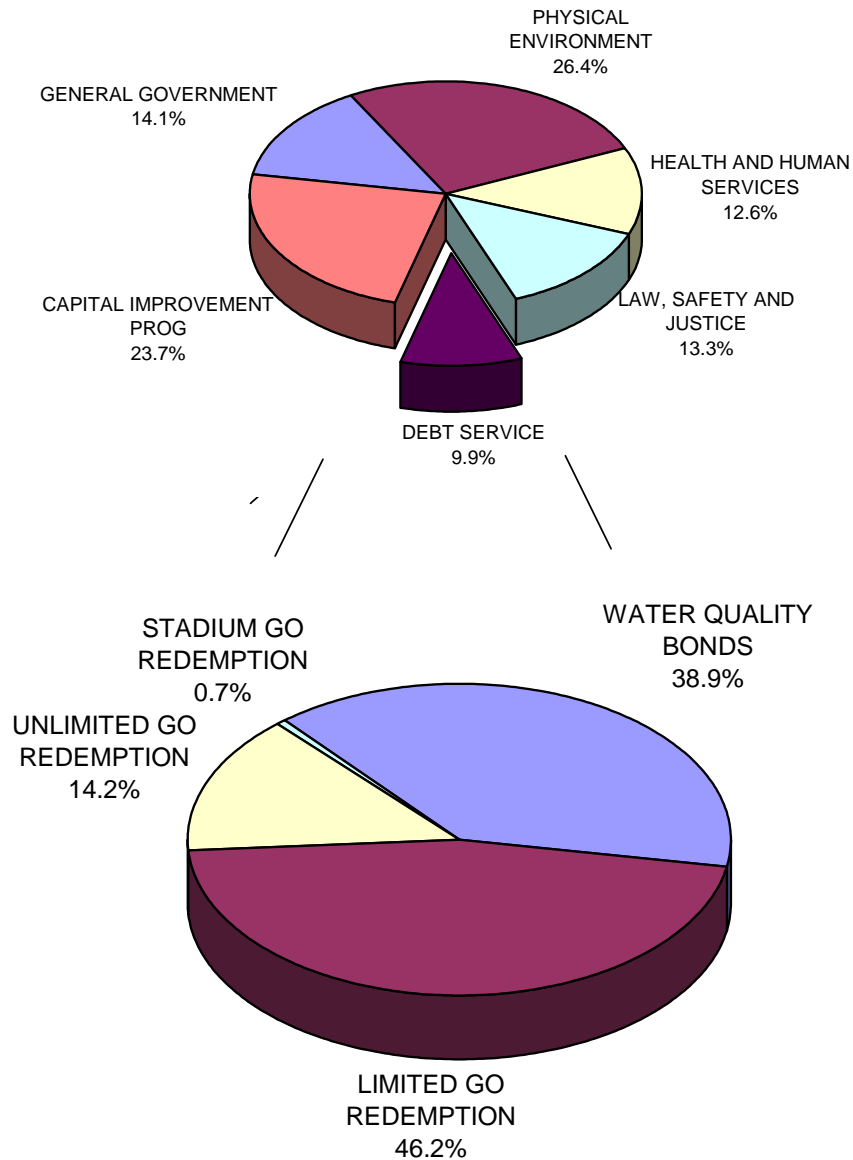


# **Debt Service**

## **Debt Service \$334 Million**



### **Issues and Priorities**

The 2006 debt service budget for Limited General Obligation Bond Redemption is proposed to increase from the 2005 levels by approximately \$22 million. This increase is primarily due to the \$13 million of proposed additional contingent budget authority to allow flexibility to make early principal payments on the Safeco debt. The amount of the defeasing payment will be determined during the year based on the availability of revenue pledged to the payment of Safeco debt. The other cause for a net increase in Limited General Obligation Bond Redemption budget is the payment schedule requirements associated with Wastewater Division debt issued in 2005.

The next debt issuance for Current Expense funded debt is projected to occur in late 2007. The repayment schedule is likely to start in 2008. In addition to debt to be issued in support of the Integrated Security Project, a proposed Jail Health project and the ITR project previously approved by Council, this debt issuance is proposed to include \$7 million for housing initiatives proposed in the 2006 budget, a Jail Health Phase 2 project that will be proposed in a 2006 supplemental ordinance and, if necessary, a debt issuance in support of space planning proposals to be evaluated in 2006 and 2007. The Current Expense Fund share of the Limited G.O. Bond payment amount will remain below the 5% debt cap based on Current Expense fund revenue collections despite the fiscal effect of these proposed debt issuance additions.

The Unlimited General Obligation Bond debt payment budget authority proposed for 2005 is slightly higher due to technical adjustments associated with recently issued Harborview Medical Center debt.

The difference between Limited General Obligation Bond Financing and the Unlimited General Obligation Bond Financing is that Unlimited is approved by the voters while Limited is approved by the King County Council.

**DEBT SERVICE PROGRAM PLAN**

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**Limited G.O. Bond Redemption 8400/0465**

Code/	Item	Description	Expenditures	FTEs *	TLTs
<b>Program Area</b>					
		<i><b>DS</b></i>			
		2005 Adopted	131,871,975	0.00	0.00
		Status Quo **	0	0.00	0.00
		<b>Status Quo Budget</b>	<b>131,871,975</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustment</b>					
TA01		Safeco Debt Defeasance Contingency	13,000,000	0.00	0.00
TA02		Wastewater Debt Issuance: 2005	9,934,900	0.00	0.00
TA03		Other Technical Adjustments	(725,225)	0.00	0.00
			<b>22,209,675</b>	<b>0.00</b>	<b>0.00</b>
		<b>2006 Adopted Budget</b>	<b>154,081,650</b>	<b>0.00</b>	<b>0.00</b>
		<b>% Change over Adopted</b>	<b>16.84%</b>		

\* FTEs do not include Temporaries and overtime.

\*\* This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

**DEBT SERVICE PROGRAM PLAN**

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**Unlimited G.O. Bond Redemption 8500/0466**

Code/	Item	Description	Expenditures	FTEs *	TLTs
<b>Program Area</b>					
		<i><b>DS</b></i>			
		2005 Adopted	43,475,972	0.00	0.00
		Status Quo **	0	0.00	0.00
		<b>Status Quo Budget</b>	<b>43,475,972</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustment</b>					
TA01		Harborview Additional Debt Payment	3,791,325	0.00	0.00
TA02		Other Technical Adjustments	197,427	0.00	0.00
			<b>3,988,752</b>	<b>0.00</b>	<b>0.00</b>
		<b>2006 Adopted Budget</b>	<b>47,464,724</b>	<b>0.00</b>	<b>0.00</b>
		<b>% Change over Adopted</b>	<b>9.17%</b>		

\* FTEs do not include Temporaries and overtime.

\*\* This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

**DEBT SERVICE PROGRAM PLAN**

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**Stadium G.O. Bond Redemption 8510/0467**

Code/	Item	Description	Expenditures	FTEs *	TLTs
<b>Program Area</b>					
		<i><b>DS</b></i>			
		2005 Adopted	2,217,162	0.00	0.00
		Status Quo **	0	0.00	0.00
		<b>Status Quo Budget</b>	<b>2,217,162</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustment</b>					
TA01		Adjustment from 2005 Adopted	(4,012)	0.00	0.00
			<b>(4,012)</b>	<b>0.00</b>	<b>0.00</b>
		<b>2006 Adopted Budget</b>	<b>2,213,150</b>	<b>0.00</b>	<b>0.00</b>
		<b>% Change over Adopted</b>	<b>-0.18%</b>		

\* FTEs do not include Temporaries and overtime.

\*\* This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

**DEBT SERVICE PROGRAM PLAN**

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**Wastewater Treatment Debt Service 4610/4999M**

Code/	Item	Description	Expenditures	FTEs *	TLTs
<b>Program Area</b>					
		<i><b>DS</b></i>			
		2005 Adopted	120,492,000	0.00	0.00
		Status Quo **	9,418,000	0.00	0.00
		<b>Status Quo Budget</b>	<b>129,910,000</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustment</b>					
TA01		Technical Adjustments	43,011	0.00	0.00
			<b>43,011</b>	<b>0.00</b>	<b>0.00</b>
		<b>2006 Adopted Budget</b>	<b>129,953,011</b>	<b>0.00</b>	<b>0.00</b>
		<b>% Change over Adopted</b>	7.85%		

\* FTEs do not include Temporaries and overtime.

\*\* This includes 2005 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

## **DEBT SERVICE PROGRAM PLAN**

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### **C O U N C I L   A D O P T E D   B U D G E T**

#### **King County Council Changes to the 2006 Executive Proposed Budget**

*The Council made no changes to the Executive Proposed 2006 Debt Service Budget*



**DEBT SERVICE PROGRAM PLAN**

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**Debt Service Program Area**

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	2004 Adopted	2005 Adopted	2006 Adopted
WQ REV BONDS & OTH DEBT SVC	110,082,000	120,492,000	129,953,011
LIMITED G O BOND REDEMPTION	125,270,279	131,871,975	154,081,650
UNLIMITED G O BOND REDEMPTION	43,001,224	43,475,972	47,464,724
STADIUM G O BOND REDEMPTION	2,211,976	2,217,162	2,213,150
<b>Total Debt Service</b>	<b>280,565,479</b>	<b>298,057,109</b>	<b>333,712,535</b>